



SOLTIS INVESTMENT ADVISORS, LLC

**20 North Main, Suite 400
St. George, Utah 84770**

A SEC Registered Advisory Firm¹

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This brochure provides information about the qualifications and business practices of Soltis Investment Advisors, LLC ("Soltis"). If you have any questions about the content of this brochure, please contact us at 1-(435) 674-1600 and/or via our website at www.soltisadvisors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

¹ SEC registration does not and should not imply any certain level of skill or training.

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ADVISORY BUSINESS

Soltis became a SEC registered advisory firm effective September 20, 2010. Soltis is affiliated with Soltis Investment Advisors, Inc. by virtue of its majority ownership of Soltis. Currently, both Soltis and Soltis Investment Advisors, Inc., share the same management team and investment advisory personnel.

Soltis provides qualified (meeting the minimum account size) Clients with the following Advisory Services which Soltis refers to as *The Investment Management Discipline*:

1. Comprehensive Review of Client's Investment Goals and Objectives. Each qualified Client is provided an *Investment Policy Statement* as a result of this review which details the Client's investment guiding principles, risk tolerance, portfolio asset allocation, manager selection, and performance expectations.

2. Recommend an Appropriate Asset Allocation and Manager Selection.

Based on the Client's **Investment Policy Statement**, Soltis recommends one of its Model Portfolios, which includes a detailed allocation by Asset Class (i.e. stock, bonds, cash, and International securities) as well as specific Managers in each asset class. Soltis' portfolios are developed (based on Modern Portfolio Theory Principles) to provide diversification by both Asset Class and Manager Style. Managers are selected based on a continuous qualitative and quantitative review of their performance relative to appropriate market indices and their respective peer group. Managers are either retained or replaced based on performance as defined by Soltis' manager selection criteria. As policy, Soltis does not receive compensation from its recommended managers.

FEES AND COMPENSATION

Soltis, a SEC Registered Investment Advisory Firm, receives its compensation in the form of advisory fees as set forth below. As a policy, Soltis does not receive direct compensation from its recommended managers.

Investment Advisory Fees are computed quarterly based on the market value of the assets in the Client's Account. The initial Investment Advisory Fee is paid by the Client beginning on the day the Agreement is executed based on the market value of the assets in the Account on the date of the Agreement pro-rated from such date to the end of the calendar quarter. Thereafter, the Investment Advisory Fee is calculated quarterly based on the market value of the assets in the Account on the last business day of the preceding calendar quarter and shall be billed and payable in advance on the first day of each calendar quarter. Soltis' Investment Advisory Fees Schedule is as follows:

<u>Advisory Fee Percentage</u>				
<u>Assets Under Management</u>	<u>Equity/Balanced</u>	<u>Fixed Income</u>	<u>Short -Term Fixed Income</u>	<u>Cash</u>
\$500,000 - \$1,000,000	1.25	.40	.40	.25
\$1,000,000 - \$5,000,000	.75	.25	.25	.20
\$5,000,000 - \$10,000,000	.50	.10	.15	.10
Over \$10,000,000 -- To be negotiated with Client				

The above fees may vary depending upon the services provided and can be negotiated on an individual basis under certain limited circumstances. For certain qualified plan accounts, performance-based fees may be offered. If Client requests additional personal administrative or other special services (as distinguished from Soltis' customary investment advisory services), Soltis may bill Client separately for such other services at an hourly rate to be negotiated with Client. Lower fees for comparable services may be available from other service providers.

Investment Advisory Fees are billed and payable in advance on a quarterly basis and will be automatically deducted from Client's brokerage account. If Client desires to make annual payments rather than quarterly, or wishes to pay the Investment Advisory Fee directly rather than have them taken from his/her Account, the Client must notify Soltis of such intent in writing prior to the billing date. Accounts less than the minimum account size are billed on an annual basis up to 1.5 percent at June 30th of each year; in arrears for the prior six months and in advance for the six months going forward.

Soltis also offers a self-directed account in which the Client directs the trading activity of the account. Soltis provides the Client: Directed Trade Execution (Transaction/Commission costs at Soltis' Institutional Rates), Custodial Services, and Quarterly Reporting. The Investment Advisory Fee for this account is the greater of \$300 flat fee per annum, or .25% per annum billed in the same manner as described above. The Client is responsible for all transaction fees, commission charges, and investment decisions related to the account.

PERFORMANCE-BASED FEES and SIDE-BY-SIDE MANAGEMENT

As a matter of philosophy, Soltis does not charge performance based fees – (fees based upon a share of the capital gains on or capital appreciation of the assets of a client) to any of its clients. As a result, this disclosure requirement is inapplicable to Soltis.

TYPES OF CLIENTS

Soltis provides investment advisory services to the following clients:

- Individuals and High Net Worth Individuals;
- Institutions/Corporations;
- Trusts;
- Endowments;

- Charitable Organizations;
- Foundations; and
- Pension Plans & 401(k)

In general, Soltis requires a minimum client account size of \$500,000. However in certain situations, Soltis may waive such minimum account size requirements in its sole discretion

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Soltis utilizes a Manager Selection due-diligence process that includes both a **Qualitative** and **Quantitative** Evaluation. Based on this review, Soltis recommends the manager or combination of managers whose performance and investment style is most consistent with the Client's stated investment objectives and risk profile as determined in the Client's Investment Policy Statement.

Quantitative Evaluation:

Utilizing computer databases and security pricing services, Soltis monitors and analyzes the performance of selected money managers and over 26,000 mutual fund managers. Managers are selected based on performance in each respective asset class. Managers must provide low cost (no entry/exit fees), perform better than their respective asset class index, and perform in the upper third of their peer group in terms of risk-adjusted return. Performance is measured in both positive and negative markets; and in the short-term (1-3 years), and the longer term (over a full market cycle). Managers must have at least 5 years proven, successful experience as a manager, and must have at least \$50 million in assets under management.

Qualitative Evaluation:

Soltis also considers the critical qualitative factors of its recommended managers to include the following:

- Education and Professional Designations
- Industry Experience, Technical Knowledge and Application
- Economic/Investment Research Capability
- Scale Economies
- Personnel to Support and Execute
- Investment Management Process (Theory and Implementation)
- Client Communication & Service
- Compliance to Investment Charter, Style, and Objective
- Audited Performance Measures
- Business Evaluation of Manager's Firm

Managers that meet Soltis' Quantitative and Qualitative criteria become part of the portfolio teams developed to accomplish the goals and objectives of each Client. Managers are replaced when they fail to comply with Soltis' quality standards. Clients are notified of all manager changes and the basis for the decision.

Soltis does not guarantee the future performance of any account or any specific level of performance, the success of any investment decision or strategy that Soltis may use, or the success of Soltis' overall investment management. All investment decisions made for the

clients' account by Soltis are subject to various market, currency, economic, political, and business risks, and that those investment decisions will not always be profitable. Soltis will manage only the securities, options, cash, and other investments held in the client's account and in making investment decisions for the account, Soltis will not consider any other securities, options, cash, or other investments owned by the client.

DISCIPLINARY INFORMATION:

Soltis and its management team **have not been** convicted, pled guilty or nolo contendere ("no contest"), been named, charged or been the subject of any order or judgment by any court of competent jurisdictions, SEC or any Self Regulatory Organization (e.g., FINRA) for the any of the following offenses:

- investments or investment related business;
- fraud, false statements or omissions;
- violation of any investment related statute or regulation or SRO rules;
- wrongful taking of property;
- bribery
- perjury,
- forgery,
- counterfeiting;
- extortion or conspiracy to commit any of these offenses.

In addition, Soltis and its management team **are not** the subject of any pending matters in connection with any of the above-identified offenses.

OTHER FINANCIAL INDUSTRY AFFILIATIONS

Soltis is affiliated with Soltis Investment Advisors, Inc, by virtue of its majority ownership of Soltis. This affiliation relates solely to the transition of clientele from Soltis Investment Advisors Inc., to Soltis. Both advisory firms maintain the same management and advisory personnel. Accordingly, there are no conflicts of interest based upon this affiliation. It is anticipated that Soltis Investment Advisors, Inc. will be "de" registered with the SEC in 2011.

CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Soltis has implemented an investment policy relative to personal securities transactions. This investment policy is part of Soltis' overall Code of Ethics which serves to establish a standard of business conduct for all of Soltis' Associated Persons that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Soltis also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Soltis or any person associated with Soltis.

Soltis has adopted procedures to implement the firm's policy on personal securities transactions and reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

- The firm's compliance officer maintains a list of the firm's advisory representatives which is updated periodically.
- Employees are to identify any personal investment accounts and any accounts in which the employee has a beneficial interest, including any accounts for the immediate family and household members, upon hire, annually thereafter and upon opening or closing any account(s).
- Employees must report all required information for covered personal securities transactions on a quarterly basis within 10 days of the end of each calendar quarter to the Compliance Officer or other designated officer.
- The Compliance Officer, or his designee, maintains appropriate records of the firm's advisory representatives, and reports of personal securities transactions, among other things.
- The Compliance Officer will review all employees' reports of personal securities transactions for compliance with the firm's policies, including the Insider Trading Policy, regulatory requirements and the firm's fiduciary duty to its clients, among other things.
- Employees are encouraged to arrange for their personal and related accounts to be sent by their brokerage firm/custodians to the Compliance Officer, or other designated officer.

BROKERAGE PRACTICES

1. Research and Other Soft Dollar Benefits:

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Soltis may receive from a broker-dealer/custodian (or a mutual fund company), without cost (and/or at a discount) support services and/or products, certain of which assist Soltis to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Soltis may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Soltis in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received assist Soltis in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Soltis to manage and further develop its business enterprise.

Soltis' clients do not pay more for investment transactions effected and/or assets maintained at a particular broker-dealer/custodian as a result of this arrangement. There is no corresponding commitment made by Soltis to any particular broker-dealer/custodian or to any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

2. Brokerage for Client Referrals:

Soltis does not receive client referrals from any broker-dealer custodian.

3. Directed Brokerage:

The client may direct Soltis to use a particular broker-dealer (subject to Soltis' right to decline and/or terminate the engagement) to execute some or all transactions for the client's account. In such event, the client will negotiate terms and arrangements for the account with that broker-dealer, and Soltis will be unable to seek better execution services or prices from other broker-dealers or be able to "bunch" the client's transactions with orders for other client's accounts managed by Soltis. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Soltis seeks to execute orders for its clients fairly and equitably. Soltis follows written procedures pursuant to which it may, for client who permit it, and to the extent consistent with Best Execution, combine purchase or sale orders for the same security for multiple clients (sometimes called "***bunching***") so that they can be executed at the same time. The procedures for bunching trades may differ depending on the particular strategy or type of investment. Soltis is not required to bunch or aggregate orders if it determines that bunching or aggregating is not practical.

When client orders are bunched by Soltis, the order will be placed with the broker-dealer custodian for execution. When a bunched order is completely filled, Soltis generally will allocate the securities purchased or proceeds of sale among participating accounts based on the purchase or sale order. Adjustments or changes may be made by Soltis under certain circumstances, such as to avoid odd lots or excessively small allocations. If the bunched order is filled at different prices, through multiple trades, generally all such participating accounts will receive the average price. When a bunched order is partially filled, Soltis' procedures provide that the securities are to be allocated in a manner deemed fair and equitable to clients. Securities must be allocated proportionately based upon the relative size of the particular client's pre-trade designation.

REVIEW OF ACCOUNTS

Soltis provides each qualified Client a Quarterly Performance Review. This Review includes the Client's portfolio performance relative to the appropriate asset class indices, and the Client's Investment Policy Statement. Adjustments are made as necessary to the Client's portfolio based on this review. Because Soltis utilizes only managers which provide audited performance measures, all portfolio performance measures are calculated reported on a uniform and consistent basis according to industry conventions and AIMR standards.

Each qualified Client also receives a comprehensive annual review which includes:

- 1) Portfolio performance in terms of investment goals and objectives
- 2) Compliance to the Client's Investment Policy Statement
- 3) Comparison of portfolio performance with relevant asset class indices
- 4) Reallocation of assets among new or additional asset classes or managers.

Soltis provides each Client a regularly published newsletter which provides a natural forum for Soltis to communicate market commentary, asset allocation shifts, manager selection changes, tax strategies, and new opportunities and challenges to its Clients

CLIENT REFERRALS AND OTHER COMPENSATION

Soltis has entered into Solicitor Agreements with Innovative Financial Services, Tabernacle Financial and Insurance Services, and the Bank of American Fork. Under these agreements, Soltis pays the Solicitor between 20 and 60 percent of the advisory fees paid by referred clients to Soltis. The percentage of the advisory fee to be paid to the Solicitor is jointly determined by Soltis and the Solicitor, based primarily on the projected amount of investment advisory services that each will provide to the advisory client. Advisory fees do not differ between referred and non-referred accounts, but are determined based on the level of assets managed. Certain terms of the agreement with the Solicitor are disclosed in writing to referred clients in a Solicitor's Disclosure Statement Pursuant to Rule 206(4)-3 of the Investment Advisors Act of 1940, as amended. Soltis has entered into a consulting arrangement with an investment advisor, Newport Group Securities, Inc., to provide Non-Qualified Deferred Compensation Plans to certain corporate clientele.

CUSTODY

Soltis continually evaluates the Asset Protection, Product Offering, Execution Capability, Reporting, and Fee Structure of available Custodians. Soltis is committed to providing its Clients with high quality, competitive, comprehensive services available in the marketplace. Soltis will use its best efforts to effect transactions through such broker/dealers based on execution capabilities, speed, efficiency, and confidentiality. Soltis provides value to its individual Clients by passing on the benefits of its institutional economies resulting in low to zero transaction costs and institutionally priced products and services. Soltis focuses on providing no-load investment products at low to no transaction fees to its Clients.

Unless directed otherwise, Soltis shall generally recommend several nationally recognized, SEC registered and FINRA member broker-dealer/custodian for its client investment management assets. These broker-dealer custodians typically charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Soltis' advisory fee, brokerage commissions and/or transaction fees, the client will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses). The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Soltis' advisory Fee.

INVESTMENT DISCRETION

Soltis primarily provides advisory services on a discretionary basis. As such, prior to engaging Soltis to provide any investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Soltis setting forth the terms and conditions which under which Soltis shall manage client's assets, including discretionary authorization when applicable.

VOTING CLIENT SECURITIES

Soltis has adopted formal proxy voting policies and procedures in compliance with SEC Rule 206(4)-6. These proxy voting policies and procedures are designed to ensure that proxies are voted in the best interests of our Clients, and are available to Clients upon request. Clients may also obtain voting information from Soltis regarding their securities

Prior to voting, Soltis will verify whether an actual or potential conflict of interest with the Soltis or any Interested Person exists in connection with the subject proposal(s) to be voted upon. The determination regarding the presence or absence of any actual or potential conflict of interest shall be adequately documented by Soltis (i.e., comparing the apparent parties affected by the proxy proposal being voted upon against the Soltis' internal list of Interested Persons and, for any matches found, describing the process taken to determine the anticipated magnitude and possible probability of any conflict of interest being present), which shall be reviewed and signed off on by Soltis' Chief Compliance Officer.

If an actual or potential conflict is found to exist, written notification of the conflict (the "Conflict Notice") shall be given to the client or the client's designee (or in the case of an employee benefit plan, the plan's trustee or other fiduciary) in sufficient detail and with sufficient time to reasonably inform the client (or in the case of an employee benefit plan, the plan's trustee or other fiduciary) of the actual or potential conflict involved.

The Conflict Notice will either request the client's consent to Soltis' vote recommendation or may request the client to vote the proxy directly or through another designee of the client. The Conflict Notice and consent thereto may be sent or received, as the case may be, by mail, fax, electronic transmission or any other reliable form of communication that may be recalled, retrieved, produced, or printed in accordance with the recordkeeping policies and procedures of

Soltis. If the client (or in the case of an employee benefit plan, the plan's trustee or other fiduciary) is unreachable or has not affirmatively responded before the response deadline for the matter being voted upon, Soltis may:

- engage a non-Interested Party to independently review Soltis' vote recommendation if the vote recommendation would fall in favor of Soltis' interest (or the interest of an Interested Person) to confirm that Soltis' vote recommendation is in the best interest of the client under the circumstances;
- cast its vote as recommended if the vote recommendation would fall against Soltis' interest (or the interest of an Interested Person) and such vote recommendation is in the best interest of the client under the circumstances; or
- abstain from voting if such action is determined by Soltis to be in the best interest of the client under the circumstances.

FINANCIAL INFORMATION

Based upon Soltis' business practices, use of a qualified custodian and advisory fee procedures, the SEC does not require the disclosure of financial information. Please be advised that there are no known financial conditions that would impair Soltis' ability to meet contractual commitments to clients.